



"What are the consequences if I am responsible for an automobile accident while driving a government owned vehicle? Does the United States Government accept full responsibility for damage which I cause? If not, am I protected by my regular automobile insurance policy?"

We at Government Employees Insurance Company have heard these questions many times phrased in many different ways. It has become clear to us that the average government employee is not certain of the extent of his obligations when he drives a government vehicle. We are privileged to offer our facilities in an effort to clarify the widespread misconceptions and misunderstandings surrounding this subject.

Our Company was incorporated in 1936 for the specific purpose of providing complete automobile insurance service for government employees. In furtherance of our expressed aim, we have prepared this booklet. We hope a review of its contents will bring to government civilian employees and military personnel a clear understanding of their obligations while driving vehicles owned or leased by the United States Government.

Insofar as possible, the language of the layman will be used even though our subject has as its basis two technical documents. These are the Federal Tort Claims Act of 1946 and the Standard Automobile Liability Insurance Policy.

We will be glad to furnish additional copies of this booklet without charge to any government employee or member of the military service.



Leo Goodwin  
President

## **Federal Tort Claims Act**

**(Contained in Title 28 of the  
United States Code)**

Because of the importance of the Federal Tort Claims Act, we will highlight below those portions which apply directly to our subject. Then we will determine how, when, and to what extent the Act affects the Federal employee who drives government owned vehicles.

The Federal Tort Claims Act became law on August 2, 1946. It provides a means whereby, under certain conditions, the United States Government can be sued for damages caused by a federal employee who is acting within the scope of his occupation. It is logical that the government should be subject to suit when it is acting as an employer just as we can sue, in many instances, a private citizen who has people working for him when one of his employees is negligent while performing his occupational duties. However, without the Federal Tort Claims Act, or some similar law, this would not be possible because the United States Government is immune from suit without its consent.

Let us note more specifically the principal features of the Act.

Section 1346 (b) states that the district courts shall have exclusive jurisdiction over civil actions for claims against the United States for loss of property or personal injury or death caused by the "negligent or wrongful act or omission of any employee of the government while acting within the scope of his office or employment, under circumstances

where the United States, if a private person, would be liable to the claimant in accordance with the law of the place where the act or omission occurred."

Section 2401 (b) states that an action or any such claim against the United States "shall be forever barred unless action is begun within two years after such claim accrues."

Section 2671 sets forth the following definitions:

"Federal Agency" includes the executive departments and independent establishments of the United States, instrumentalities or agencies of the United States, but does not include any contractor with the United States.

"Employee of the government" includes officers or employees of any federal agency, members of the military or naval forces and persons acting on behalf of a federal agency in an official capacity, temporarily or permanently, with or without compensation.

"Acting within the scope of his office or employment," in the case of a member of the military or naval forces of the United States, means acting in the line of duty.

### ***What the Federal Tort Claims Act Means to the Government Employee***

Many employees of the federal government, as a result of their occupational duties, have access to government owned or leased vehicles. The automobile may be available to the employee

for his regular use or on infrequent occasions only. The vehicle may be driven only on government business or also under circumstances not coming within the scope of his employment. The vehicle furnished to the employee could be a private passenger car, jeep, station wagon, truck, bus, etc.

Regardless of the type of vehicle, extent of use or purpose of use, the federal employee may be legally responsible for personal injury or property damage sustained as a result of the negligent operation of the vehicle. To be "liable" or legally responsible means that he is answerable for the amount of the damage. Unless proper insurance is carried, the federal employee will have to dig into his own resources for a payment which could involve many thousands of dollars.

But how is this possible? We have just reviewed the Federal Tort Claims Act which is supposed to place legal responsibility on the United States Government when one of its employees causes damage through negligent operation of a government vehicle. A careful review of the Act reveals that the United States Government does accept responsibility in most instances. Under the following circumstances, however, the United States Government **DOES NOT** generally accept responsibility for the negligent actions of its employees:

- 1) Claims filed against the government more than two years after the date of the accident.
- 2) Claims resulting from operation of the government owned vehicles

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outside of the scope of the employee's occupation.

Claims for injury to a fellow federal employee where suit is brought against the operator in his individual capacity.

Because the United States Government cannot be held liable in these three instances, the employee may be held personally responsible for the injury or death of persons and the damage of property. Although this exposure to possible loss of personal funds is limited, it does exist. The prudent federal employee and military serviceman have turned to their private insurance companies for the necessary additional protection. Let us find out what insurance companies have to offer.

#### THE ROLE OF THE INSURANCE COMPANY

Automobile insurance companies do offer various types of coverages which will protect persons who operate automobiles owned by their employers or other persons. These coverages, however, have one objectionable feature for the government employee. Standard forms of automobile insurance fail to consider that the Federal Tort Claims Act, as a practical matter, gives to the federal employee the major share of liability protection he needs when driving government owned vehicles. As a consequence, the coverages are broader and more expensive than is necessary. This situation exists because the Standard Automobile policy, with the usual extensions, was designed for the gen-

eral public. Federal employees comprise only a small portion of the vast insuring public and few companies have deemed it important to custom-design forms of insurance which satisfy their special requirements.

We will refer later to special coverages recently developed by Government Employees Insurance Company which solve this problem for the federal employee in regard to protection as well as premium. First, however, let us review briefly the extent to which standard forms of insurance protect the federal employee within the three areas of exposure left by the Federal Tort Claims Act.

#### **Standard Automobile Liability Insurance Policy**

Most important coverage is the basic auto insurance document—the Standard Automobile Liability Insurance Policy. Nearly all automobile insurance companies, including Government Employees Insurance Company, use this policy. That is why it is referred to as “Standard”. It was designed to provide protection for individuals while driving a personally owned automobile. Through the years, however, the policy provisions have been broadened.

At the present time one important section of the standard policy is devoted to coverage for the policyholder while he is driving a vehicle which he does not personally own. This was an important extension of coverage because many persons occasionally drive cars other than their own—both in business

and in the conduct of their personal affairs.

There are, however, a number of important restrictions on the use of other automobiles. For example, the liability coverages of the standard policy do not apply to any vehicle which is furnished to the policyholder for his regular use. The term "furnished for regular use" is frequently misunderstood. In numerous cases, the courts have stated that the right to use an automobile is more important than the number of times it is actually driven. This means that if the government employee has available some automobile, even though he rarely uses it, he may not be covered by the standard policy. The policy covers him only if he does not have an automobile available for regular use but he does, on infrequent occasions, find it necessary to drive a government owned vehicle.

Moreover, the coverage relating to other automobiles applies only to private passenger vehicles. If he drives a truck or other commercial type vehicle in connection with his government occupation, he is not covered at all, regardless of how infrequently he operates it. It is true, also, that he is not covered if he directs other federal employees to drive the vehicle. For coverage to apply, the policyholder of a standard policy must actually be in the government passenger car, either driving or riding as a passenger.

In summary, it is apparent that the standard auto policy helps to fill the coverage gap in the Federal Tort Claims Act. The auto policy will protect the



policyholder if a claim is not filed until more than two years after the accident. It will cover him if the injured party (claimant) is a fellow employee, and in most such cases the United States cannot be sued. Finally, it protects the individual who drives a government car for personal purposes. However, the standard policy will not cover any of these situations if the vehicle is furnished for the regular use of the federal employee, or if the vehicle used in business is of the truck type, or if the insured is not driving or riding in the auto.

**Use of Other Automobiles—  
Broad Form**

To obtain more complete protection, the government employee may have the liability coverage of his standard policy extended (endorsed) to include the "Use of Other Automobiles—Broad Form" coverage. Because this coverage is an addition to the standard policy, it also assumes that the policyholder owns and insures a personal automobile.

The most important aspect of the "Use of Other Automobiles—Broad Form" endorsement is the extension of coverage to include vehicles which are furnished for the government employee's regular use whether or not he drives them frequently. It also protects him while driving trucks and other commercial type vehicles.

For this additional protection, the policyholder must pay an additional premium. The standard rates vary between \$10 and \$20 annually, depending on the

location, age of driver, and other factors.

The "Use of Other Automobiles—Broad Form" coverage very nearly provides all the insurance the federal employee needs. An important disadvantage, in addition to the high cost, is the exclusion of coverage in event of injury or death to a fellow employee.

#### **Named Non-Owner Insurance**

A third type of standard coverage which has attracted the interest of government employees is the "Named Non-Owner" policy. It is offered to persons who do not own an automobile but have access to government owned vehicles. The coverage is broad. It includes all of the liability protection of the standard policy and Broad Form endorsement for use of non-owned automobiles, although coverage does not extend to use of a public or livery conveyance (i.e. taxi, bus).

The "Named Non-Owner" policy obviously is not designed specifically for the federal employee. As a consequence, because it provides more coverage than he needs, it requires a comparatively high premium. Annual premiums up to \$50 are not unusual.

#### **Conclusion**

It should be apparent from the foregoing that federal employees who drive government owned or leased vehicles are exposed to legal responsibility and loss of personal funds despite the protection afforded by the Federal Tort Claims Act. We note, also, that insurance companies have available several

standard forms of coverage to protect federal employees who drive government vehicles. Unfortunately, however, these usual coverages are not ideally suited to the limited needs of the federal employee.

As a leader in providing complete automobile insurance service for government employees, Government Employees Insurance Company recently developed special coverages for employees who use government vehicles. Available only to eligible federal employees in most states, it provides for them the protection necessary to fill the gap left by the Federal Tort Claims Act. The premium is far lower than the rates charged for any of the usual forms of insurance currently available to them.

Further details concerning these special coverages as they apply to individual circumstances can be obtained by returning to Government Employees Insurance Company the inquiry card on the back cover of this booklet.

Additional copies of this booklet and other related material compiled by Government Employees Insurance Company are available to any federal employee without charge.

### ***Can You Answer The Following Questions?***

We could not possibly list all the questions asked by government employees relative to their individual use of government owned vehicles. We have selected, however, a representative few which should assist to clear the haze

of misunderstanding surrounding their use of government vehicles and the extent of their protection afforded by the Federal Tort Claims Act.

Q. Under the provisions of the Federal Tort Claims Act would the government's liability extend to all accidents in which I am involved while operating government vehicles on non-government business?

A. The courts have held that in order for the United States Government to be liable for damages, the injury must result from a negligent act of an employee acting within the scope of his office or employment. Therefore, you alone are liable if an accident occurs while you are driving a government vehicle for pleasure or non-government business.

Q. Although I have a government car available for my use at any time, I only drive it once or twice a month. Am I covered for this usage under the auto policy which insures my personal car?

A. The fact that some automobile is available at any time has been construed by the courts as an automobile furnished for regular use. Such usage is not covered under the standard policy. However, insurance can be obtained through payment of additional premium.

Q. I have a standard auto policy with "Use of Other Automobiles—Broad Form" endorsement. Am I protected while driving a truck owned by

the government? I drive it approximately 20 miles every day.

A. Yes, the policy and endorsement protects you against liability while driving any type of vehicle regardless of extent of use.

Q. Does my "Use of Other Automobiles—Broad Form" coverage protect me while towing a house trailer with a government owned truck?

A. Yes. However, if the truck with which you tow the trailer is more than a  $\frac{3}{4}$ -ton, an additional premium and endorsement is necessary.

Q. Does the medical payments insurance of the "Use of Other Automobiles—Broad Form" endorsement extend to any passengers I carry when driving government owned vehicles?

A. Yes, the additional item of insurance for which you pay an added premium provides medical payments insurance for you, your wife, and any other passengers carried in the government owned vehicle at the time of the loss.

Q. Must I carry the same limits of liability for the "Use of Other Automobiles—Broad Form" coverage as I carry on my personal automobile?

A. Different Bodily Injury and Property Damage limits may be carried, but you should always have sufficient insurance to avoid loss of your personal income and other assets.

## PROTECTION AFFORDED BY TYPE OF INSURANCE COVERAGE

For U. S. Government Owned or Leased Vehicles

	EXTENSION OF POLICY COVERING PERSONAL AUTO		NAMED NON-OWNER POLICY	GEICO SPECIAL COVERAGES FOR FEDERAL EMPLOYEES
	STANDARD POLICY	USE OF OTHER AUTOS—BROAD FORM		
COVERS Vehicles Furnished to Federal Employee for His Regular Use	NO	YES	YES	YES
COVERS Claims Which Are Not Filed Against the United States Within Two Years After Accident	YES (If vehicle is not fur- nished for regular use)	YES	YES	YES
COVERS Operation of Vehicles Outside of Scope of Employment	YES (If vehicle is not fur- nished for regular use)	YES	YES	YES
COVERS Injury or Death to Fellow Employees	YES (If vehicle is not fur- nished for regular use)	NO	YES	YES
Usual Premium Cost	NONE	HIGH (\$10-\$25)	VERY HIGH (\$20-\$60)	VERY LOW (\$3.75-\$12.25)

# IMPORTANT

You can also obtain your  
Personal Automobile Insurance  
at discounts up to 30%  
from standard rates

Mail Attached Card To:  
No agent will call  
There is no obligation

CHECK YOUR ELIGIBILITY - Remember, once a policyholder always eligible

☐ FEDERAL EMPLOYEES  
☐ ARMED FORCES

☐ (a) Officers  
☐ (b) Non-commissioned officers of the top three grades (married and at least 25 years old)

Name..... Age.....  
☐ Single  
☐ Married (No. of children.....)

Residence Address..... Zone..... County..... State.....

Occupation (Rank if on Active Duty).....  
I have checked below the situation which applies to me. Please send me complete information and rates.

☐ I do not own an automobile but drive government vehicles.

☐ I own the automobile described below and also drive government vehicles.

☐ I own the automobile described below but do not drive government vehicles.

Year	Make	Model (Dlx., etc.)	No. Cyl.	Body Style	Cost	Purchase Date	<input type="checkbox"/> New <input type="checkbox"/> Used
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Additional operators of my car under age 25 in household at present time:

Age	Relation	Marital Status	% of Use

Days per week my auto driven to work?..... One way distance is..... miles.

Is your personal car used in any occupation or business? (Excluding to and from work)..... Yes..... No

Estimated mileage during next year?..... My present insurance expires..... / .....

I am presently insured with GEICO under Policy No.....

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**GOVERNMENT EMPLOYEES INSURANCE CO.**

Washington 5, D. C.

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